



MICHIGAN DEPARTMENT OF NATURAL RESOURCES
FOREST, MINERAL AND FIRE MANAGEMENT DIVISION

DIRECT OIL AND GAS LEASE APPLICATION AND REQUIREMENTS

By authority of Part 5, Section 502, Act 451, P.A. 1994, as amended. to obtain a mineral lease

Name of Intended Lessee:	Name of Applicant/Agent:
Address:	Address:
City, State and Zip Code	City, State and Zip Code
Specific State-owned Minerals Requested (legal description):	
<input type="checkbox"/> Development <input type="checkbox"/> Nondevelopment	Proposed Drilling Unit Acreage & Type (i.e. 80-acre Antrim, 40-acre Niagaran):
Proposed Drilling Unit Description:	Unitized Area Name & Description (describe or include map):
Proposed Surface Well Location (bottom hole also if directional drill):	Lease Terms Offered (bonus per acre, term, royalty rate):

Check applicable documents enclosed.

- | | | | |
|---|--|---|---|
| <input type="checkbox"/> Leasehold Ownership Affidavit | <input type="checkbox"/> Map of Drilling Unit & Request | <input type="checkbox"/> Application Fee | <input type="checkbox"/> Registered Survey |
| <input type="checkbox"/> Mineral Tract Map | <input type="checkbox"/> MDOT Acquisition Deed(s) | <input type="checkbox"/> Applicable Assignments | <input type="checkbox"/> Private Leases & Drafts Paid |
| <input type="checkbox"/> Subdivision Plat Map | <input type="checkbox"/> List of Name(s) and Address(es) of Current Severed Surface Owner(s) for State-owned Minerals Requested. | | |
| <input type="checkbox"/> Other Documents (please list). _____ | | | |

Direct Lease Application Fees: \$500.00 per quarter section for development request. / \$200.00 per quarter section for nondevelopment request.

Number of Quarter Sections Requested	Development Requests (\$500 ea)	Nondevelopment Requests (\$200 ea)	Total Amount Due	FOR DNR AUDIT USE ONLY
TOTAL AMOUNT PAID:			\$	

MAKE CHECK OR MONEY ORDER PAYABLE TO THE "STATE OF MICHIGAN" (DO NOT SEND CASH)

SUBMIT REMITTANCE WITH THIS APPLICATION TO:

MAIL TO:

CASHIER'S OFFICE
FINANCIAL SERVICES DIVISION
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
PO BOX 30451
LANSING MI 48909-7951

EXPRESS MAIL TO:

CASHIER'S OFFICE
FINANCIAL SERVICES DIVISION
MICHIGAN DEPARTMENT OF NATURAL RESOURCES
530 W ALLEGAN ST
LANSING MI 48933

DIRECT OIL AND GAS LEASE APPLICATION FEE
73550 - 78719 - 9162

**** DO NOT WRITE BELOW THIS SPACE - FOR DNR CASHIER'S USE ONLY ****

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REQUIREMENTS

1. Application and/or cover letter should reflect:
 - A. Name/address of intended Lessee. Name/address of who to mail leases to if different from the intended Lessee.
 - B. Specific State-owned minerals being requested, i.e., SW1/4 NW1/4, Sec. 5, T29N-R06W, Mancelona Twp., Antrim County.
 - C. Classification requested. Development or Nondevelopment (see below).

NOTE: Development classifications for Direct Lease applications may be requested and will result in the need for field review. Additionally, Nondevelopment classifications will continue to be offered and specifically processed for those minerals under the jurisdiction of other State Agencies which have historically required Nondevelopment classifications, i.e., Military Affairs, Department of Transportation.

Direct Oil and Gas Leases are issued on a quarter-section basis. As of March 1, 1997, the following non-refundable application review fee must be submitted with each request for the application to be considered:

 - A. Nondevelopment classification request: \$200.00
 - B. Development classification request: \$500.00
 - D. Type of drilling, i.e. Antrim, Niagaran or Prairie du Chien (PDC).
 - E. Proposed drilling unit, i.e. NW1/4, Sec. 5, T29N-R06W Mancelona Twp., Antrim County. If the request is within a proposed or existing Unitized Area (UA), Uniform Spacing Plan (USP), or Voluntarily Pooling Agreement (VPA), include a copy or draft of the applicable agreement which describes all lands involved.
 - F. Proposed surface location of well, if known, and Department of Environmental Quality, Geological Survey Division (GSD) Permit Application number, if available.
 - G. Proposed lease terms. Note: minimum of 3/16th royalty and maximum of 3 years.
2. Must be able to show majority leasehold ownership in drilling unit pursuant to R299.815(1). Therefore, submit copies of:
 - A. Private leases for lands included within the proposed drilling unit.
 - B. Lease Purchase Report or copies of drafts paid.
 - C. Executed assignments if private leases reflect a different Lessee.
 - D. Survey to verify "majority" interest if State-owned minerals reflect 1/2 of drilling unit, i.e. 80-acre Niagaran unit intended and State records reflect 40-acre interest. Lessee will need to provide a registered surveyor's verification that actual State interest is less than 40 acres, i.e., 39.877 and Lessee interest is 39.955 acres.
 - E. A mineral tract map coinciding with the leasehold ownership interests submitted.
3. Plat map outlining proposed drilling unit and State-owned minerals being requested. If requesting minerals within a proposed UA, USP, VPA, highlight boundary of all lands included in same.
4. If the request involves minerals located in a platted subdivision, a copy of the recorded plat and projected acreage calculation must be included. A registered surveyor's verification may be required to confirm the acreage amount.
5. If the request involves Michigan Department of Transportation (MDOT) lands or highway right-of-way, a copy of the deed reflecting how MDOT acquired the parcel is required along with the relevant part of the preliminary title opinion.
6. Public Noticing by the Applicant must be completed at least 30 days in advance of the anticipated Director approval date. Upon completion of preliminary negotiations with DNR staff, the applicant must place a Public Notice in the local newspaper and serve copies of the notice to the Surface Owner where applicable. Directions for completing the Public Notice process will be provided upon completion of negotiations.